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FOR THE SECRETARY FROM AMBASSADOR AGUIRRE

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TAGS: PREL PGOV SP

SUBJECT: SPAIN: SCENESETTER FOR THE SECRETARY'S MEETING
WITH FM MORATINOS

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Classified By: Ambassador Eduardo Aguirre for reasons 1.4 (b) & (d).

¶1. (C/NF) Madame Secretary, your meeting with Spanish Foreign Minister Miguel Angel Moratinos comes at time when the Spanish government believes that it has significantly improved its relations with the US by supporting our efforts in Afghanistan, Iran, the Broader Middle East, and lately even Iraq. That said, the GOS is always grappling with its domestic political need to create contrast with the Aznar government, as well as Moratinos' natural inclination toward activism, particularly in the Middle East. Your meeting can help steer and guide Moratinos away from unhelpful activities while reinforcing those efforts that support the US global agenda.

¶2. (C/NF) President Zapatero's government has grown confident. Zapatero and his government are doing well in the polls thanks to domestic policy, principally its handling of the ETA peace process, regional autonomy, and social issues. The economy continues to be strong, and Spanish corporations are on an international buying spree. However, the GOS is recalibrating its foreign policy because of the disappointing results of its Latin America policy and the public focus on the recent influx of fishing boats full of West African immigrants. Spain wants normal relations with the US, both to remove US relations as a domestic political issue and to advance its own foreign policy interests. Over the past year, I have downplayed the possibility of a meeting between Presidents Bush and Zapatero. The highest levels of the Spanish government no longer raise the issue, though the Spanish press still does. Moratinos sees your meeting with him as a signal that US-Spain relations are getting back to normal despite some policy differences.

¶3. (C/NF) As the recent Spanish announcement of a travel ban on Nicaraguan ex-president Aleman (the result of repeated discussions between Deputy Secretary Zoellick and Deputy FM Leon) shows, the Spanish government can be responsive to clear, specific requests from our highest leadership.

Moratinos will be listening carefully to what you say, but is likely to hint that his government feels that the US has not sufficiently acknowledged the many positive steps Spain has taken over the past year or so. You should let him know that the US recognizes and appreciates Spain's work in Afghanistan and other areas, but that we cannot ignore such significant missteps as the sale of defense equipment to Venezuela and Moratinos' "technical stop" in Damascus. He will invite you to visit Spain before the end of this year. I believe that a visit by you would put our relations back on a truly normal

track, very much in keeping with the President's and your transatlantic goals. It would also reinforce those in this government who want to repair and strengthen US-Spain relations in our global agenda. We will not, however, completely change this government's leftist philosophy, nor totally curb Moratino's penchant for inserting himself into sensitive Middle East issues.

-- ZAPATERO: DOMESTIC FOCUS; DOMESTIC SUCCESS --

¶4. (C/NF) After being even in the polls just a few months ago, the governing Socialist Party (PSOE) has recently opened a safe margin over the opposition Popular Party (PP) thanks to the nearly three month old ETA cease-fire, a continuing strong economy, and popular social policy. While initially positive towards the cease-fire, the PP recently withdrew its support for the Zapatero Government's management of the Basque peace process, charging that the government is too soft on ETA. Public support for the government's approach, however, is still strong. The PSOE worked ably with regional partners to manage debate over a law that devolves additional powers to the Catalan government. After acrimonious public debate, all that remains is final approval in a public referendum in Catalonia this weekend. This approval, all but assured, will further boost the PSOE. These victories have given Zapatero enough confidence to dump Defense Minister Bono, who had been Zapatero's competition for party leadership and a loose cannon as a cabinet member. Zapatero replaced Bono with former Interior Minister Alonso, a long-time Zapatero ally, who worked closely with the US on counterterrorism issues in his old job. These domestic successes, along with the PP's inability to find a national message that appeals to swing voters and reluctance to join forces with regional parties, bode well for the PSOE going into regional municipal elections in 2007 and even national elections in 2008. Zapatero's next major challenge is how to handle the illegal and legal immigrants now pushing into

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Spain from North Africa, sub-Saharan Africa, Central Europe, and Latin America. This is one area in which we believe there is room to cooperate with Spain as we look to advance our counter-terrorism, development, and related agendas in these regions.

-- FOREIGN POLICY?? --

¶5. (C/NF) With Zapatero focused on domestic policy and politics, Moratinos has a relatively free hand on foreign affairs. Moratinos genuinely wants stronger relations with the US, but sometimes he loses sight of this goal when he is focused on other issues that he may not connect in his mind to the US. He and Deputy FM Leon think of themselves as activists. They are active, running from one area of interest to another depending on the crisis de jour and where they think that they can be players. Moratinos spends a lot of time in the Middle East and Europe, but has also made major trips to Africa and Asia. Leon focuses on Latin America, but as the troubleshooter has spent many of his recent days in West Africa. Zapatero's office has a NSC-esque staff but that group has nothing like the strong policy-setting role to which you are accustomed. In general, Moratinos' MFA offers universally applicable watchwords (dialogue, incentives, special links, multilateralism) in the place of a clear national foreign policy.

-- COMMITTED TO AFGHANISTAN --

¶6. (C/NF) Spain is an important, stable part of the coalition in Afghanistan. It recently sent reinforcements, bringing its troop numbers to around 700. Spain leads a Provisional Reconstruction Team and co-leads with Italy a Forward Support Base, both in western Afghanistan. Spain also pledged 150 million euros to Afghan reconstruction at the London conference. In addition, a significant share of the airlift supplying our troops in Afghanistan (and Iraq) passes through

Spanish air bases -- Rota and Moron, both in southern Spain. Despite low public support for the Afghanistan mission and the loss of 17 soldiers in a helicopter crash last summer, the GOS has not wavered in its commitment. In fact, the GOS recently held a high-profile public conference featuring Moratinos and the Defense Minister as well as their Afghan peers from to try to create a more positive buzz. Ambassador Neumann has named the completion of the Afghan Ring Road, of which Spain is building a section, as one of the key peace and security initiatives. He appreciates the contribution that Spain is making to this effort, but hopes that it can be convinced to do more. Moratinos is likely to stress Spain's strong commitment to Afghanistan and he may be responsive to suggestions that completing the Ring Road project will bolster Spain's image as a newly active player and earn further gratitude toward Spain from the Afghan people for a highly-visible humanitarian project.

-- TALKING ABOUT LATIN AMERICA --

17. (C/NF) Since my arrival in Madrid a year ago, we've created a sustained, high-level dialogue on Latin America. This connection has created the predisposition to work together when our interests coincide, as in Ecuador and to some degree in Bolivia, and has softened the rhetoric when they don't. Spain is a major influence in Latin America as the second largest foreign investor (after the US) with over 50 billion euros of investment in the region. We continue to present the Spaniards with reasons why selling ships and planes to Chavez is a bad idea. While construction has begun on the ships that Spain apparently will deliver to Venezuela sometime after 2012, I believe that the airplane deal will not materialize if we give the GOS some space. Ex-Defense Minister Bono was always the strongest advocate for the deal and it may be unraveling without him. The Spanish recently announced a travel ban on Nicaraguan ex-President Aleman, and Guatemala says that Spain has been helpful behind the scenes in pushing its UNSC candidacy. Spain also deployed troops to Haiti to support the election process. Spain reached out eagerly to Evo Morales in Bolivia, and helped us reach out to him, but Morales has spurned them, putting substantial Spanish business interests (primarily energy, financial services, and airports) at risk. At the recent EU summit, Zapatero said that he would not meet with Morales, but ultimately did so, ever reluctant to shut the door in anyone's face.

18. (C/NF) On Cuba, Moratinos has learned the hard way that Castro is not open to dialogue on human rights. He and

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others in the MFA expect no progress on political issues as long as Castro is in power, but under the present circumstances it is unlikely Spain would support a more critical EU policy towards Havana, insisting that it is better to maintain communication with Castro's successors. We also differ with Spain on our desire to see a rapid and clear transition to democracy in Cuba after Castro leaves the scene; Spain draws on its own democratic transition experience insisting that a more moderately-paced transition with figures from the previous government who have the stature to lead toward democracy is more realistic. There is room for increased collaboration with Spain on Latin America and we will continue to engage as necessary.

-- MORATINOS IN THE MIDDLE EAST --

19. (C/NF) Moratinos considers himself a Middle East expert and is particularly active there, although not always helpful. Spain delivered positive statements on the new Iraqi government and on our efforts on Iran. (NOTE: We are keeping a watchful eye on the June 14 visit to Madrid of the Iranian Foreign Minister. END NOTE). Spain continues to contribute to Iraq reconstruction and is participating in NATO Training Mission-Iraq. Spain was the first EU country to support the Rafah border crossing agreement. Moratinos

decided personally that Spain would contribute USD 1 million to BMENA and we have been able to ensure that BMENA and the Alliance of Civilizations are complementary rather than competing. We will contribute to an Alliance of Civilizations project when those projects are identified. However, Moratinos is not always predictable, as his "technical stop" in Syria proved. The MFA position on this meeting has hardened of late; where first it was slightly apologetic about breaking the international consensus against contact with the Syrian government, it now firmly insists that the contact was warranted. MFA refuses to rule out future meetings, at least at lower levels, while insisting that Spain is not breaking ranks. I have raised this issue repeatedly with all levels of the GOS. The GOS continues to push to get the US more actively involved in the stalled Western Sahara negotiations, proposing a "Friends" group and inviting NEA A/S David Welch to Madrid. Moratinos is likely to raise this issue with you. We share Moratinos' sense of urgency but would encourage Spain to take the lead, both on Western Sahara and on addressing broader common North Africa challenges such as counterterrorism, immigration, and counternarcotics.

-- POTENTIAL IN AFRICA --

¶10. (C/NF) A promising area for increased Spain-US collaboration is Africa, as you and Moratinos have discussed in your recent exchange of letters. Most recently, AF A/S Jendayi Frazer was invited by her Spanish counterpart to come to Madrid for discussions. Africa is a region where we are likely to agree more than disagree. MFA is focused on its Plan Africa, an ambitious and comprehensive effort to focus on Spain's southern neighbors. While MFA is currently touting Plan Africa as a way to address the illegal immigrants entering Spain (and thus the EU) from West Africa, it began to develop the plan some time ago as a means to increase Spain's diplomatic presence in Africa, expand business opportunities for Spanish firms, and target CT concerns, as well as address root causes of immigration. The plan also includes a democracy and good governance piece. Areas to explore for cooperation include our Trans-Sahel Counterterrorism Initiative, Darfur, and Equatorial Guinea, as well as possible foreign assistance synergies. Spain recently committed troops to support elections in Congo. Moratinos recently hosted a ministerial round table on counterterrorism in West and Central Africa.

-- CIA FLIGHTS --

¶11. (C/NF) The Zapatero government says that it will continue to stand firm in its public statements that no Spanish laws have been violated in connection with CIA flights in Spain. Vice President Fernandez de la Vega underscored this to me again as recently as June 8. We have seen no diminishing in our intelligence cooperation nor in the excellent counter-terrorism cooperation we have enjoyed with this government since it took power. However, we do expect to see increased vigilance on issues the government may see as related to the CIA flights issue. For example, against the background of continued excellent defense relations (including use of two Spanish bases in southern Spain and

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blanket overflight and landing clearances for Iraq/Afghanistan operations,) an issue related to operating norms for the US Naval Criminal Investigative Service and its Air Force counterpart has become an irritant in aspects of the US-Spain defense relationship. The issue is likely to be resolved in the military channel and though he and I have touched on the issue tangentially, Moratinos is unlikely to raise it with you. At the same time, we would like to take advantage of the appointment of a new Spanish Defense Minister with whom we maintain good ties to broaden and deepen our defense relationship in support of the broader USG agenda, particularly in North and sub-Saharan Africa.

-- SPAIN AS A PLATFORM FOR TRANSFORMATIONAL DIPLOMACY --

¶12. (C/NF) Spain wants to be a global player, as its increasing peacekeeping, reconstruction/development, and diplomatic deployments indicate. I have sought to strengthen our bilateral relationship so that we can more effectively influence the Spanish government to work with us on the full range of global issues, such as Afghanistan, counter-terrorism, NATO issues, Pakistan earthquake relief, Haiti, Congo (where Spain is sending troops), Latin America and the Middle East. We seek to better align Spain's activism with USG goals and to leverage Spain's desire for better relations with the US and its activist approach to contribute to our broader goals. On many issues, such as counterterrorism and Afghanistan, Spanish interests dovetail nicely with ours. On others, like Venezuela, Cuba, and freelancing on Syria, we share broad goals, but Spanish activism has been unhelpful and frequently unwanted. Your meeting will help our effort to improve the bilateral relationship so as to extend our ability to influence Madrid when we have difficult policy differences. We have made a start by creating a high-level working group on Latin America, a good dialogue on NATO issues, and similar ties with Washington and Spanish counterparts on Middle East issues. Spain's influence in Latin America, its self-generated activism in the Middle East, and the international terrorism threat that we both face provide ample bricks and mortar to build up Spain as a more effective partner for the US in our global agenda.

AGUIRRE